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SUMMARY

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200 rue de la Loi • T-120 7/56 • 1049 Brussels • Belgium • Tel.: 299.90.52 • Fax: 299.92.08

HEALTH: Greater choice and reliability when it comes to medicines

The European agency for evaluating medicinal products is operational.

From now on the European Union is a genuine frontier-free area for medicines ... and for patients. Drugs and medicines can now move freely throughout the single market, their safety fully guaranteed. This puts an end to the earlier absurd situation, in which a pharmaceutical product was banned in one EU country but was freely available in another. The cornerstone of this Europe of pharmaceutical products, the European Agency for the Evaluation of Medicinal Products, is now operational: it was inaugurated in London's Canary Wharf on January 26.

Run by European specialists, the new agency is linked to some 2,000 experts based in the government departments of the 15 EU Member States. It thus is in a position to be aware of what is happening throughout the EU and to coordinate safety measures vis-a-vis doubtful medicines.

The European Agency has been entrusted with the task of evaluating new pharmaceutical products, in order to verify their characteristics and make sure they are not harmful. This means that a medicine can be sold throughout the EU on the basis of a single authorization and under identical conditions of use.

Thanks to this system, those who are ill have access to a much wider range of medicinal products and can benefit more rapidly from innovations, with increased safety guarantees.

The new system is a step forward from the viewpoint of manufacturers also, given that it enables them to reach a much wider market, in which the rules they must follow are identical. This can only encourage them to invest, and at the same time put them in a more favourable situation in relation to their international competitors.

The opening of the new agency represents a decisive stage in a chain of events. A "European law" of July 1993 created the agency; but before it could function properly, it was necessary to bring together a large number of national laws and regulations.

TELECOMS: The ground rules for a market open to competition

The Commission proposes a regulatory framework which will guarantee that everyone benefits from an open market.

The European Commission has suggested ground rules that operators would have to follow once the telecommunications infrastructure has been completely liberalized in the European Union. The aim of these rules is to open up the market to competition, but without endangering the survival of public operators and, in particular, maintaining a universal service - that is to say, guaranteeing all users access to telecommunications services at affordable prices.

The stakes are very high. The EU market for telecommunications services already amounted to some ECU 120 billion* in 1993. With the arrival of multi-media services, the spread of mobile and personal communications and the exploitation of new technologies, the market is expected to grow by leaps and bounds in the coming years. But figures do not tell the whole story. The information superhighways are likely to transform our society, for they will make it possible for Europeans in the year 2000 to communicate, work, study and even receive healthcare without leaving home. What is more, this information society is certain to make our enterprises more competitive, raise the level of economic activity and create new jobs.

The European Commission believes that only the complete liberalization of the telecommunications infrastructure will encourage operators to invest in the new technologies needed to build this information society. In Part I of the Green Paper which it published last year, the Commission set out the broad principles of this liberalization, together with a timetable which envisages full competition as from 1 January 1998. This document was approved by the EU Council last year. Part II of the Green Paper, which has just been adopted by the Commission, defines the regulatory framework within which competition will take place.

Here the key requirement will be ensuring a universal service, which is defined as access to a minimum service of specified quality for all users at affordable

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prices. Take the case of the inhabitants of a small village in an isolated region of the UK. They will pay the same charges for their telephone lines and calls as people living in London, although there will not be enough of them to pay for the investment required to service them. At present the maintenance of rural lines and the provision of unprofitable services are paid for out of the income from services which do earn a profit, in particular the services to companies and the business community in general. But once competition develops there is a risk that private operators will take over the most profitable sectors of the market, thus depriving public operators of the means with which to guarantee a universal service. The Commission has proposed a radical solution to the problem. Private operators who chose not to offer a universal service would be required to contribute a certain percentage of their turnover to a fund, which would be set up in each EU country to finance a universal service. The fund would be managed at the national level by an independent authority.

The Green Paper does more than set out the general rules for ensuring a universal service; it also sets out the rules which will have to be followed as regards the interconnection and inter-operability of infrastructures, on the one hand, and the issuing of licenses on the other. Competence in both areas lies with the national authorities above all, but the basic principles will have to be the same throughout the EU. The Green Paper in fact stresses the need for fair and effective competition between the various operators. As for the international dimension of telecommunications services, it calls for comparable and effective access to global markets, to be secured through the current multilateral negotiations under the aegis of the new World Trade Organization.

With its Green Paper the Commission has opened a broad consultation involving all interested parties. To further this process it will organize hearings in Brussels under the French Presidency during the first half of the year. This will enable the Commission to come forward, before the end of 1995, with a proposed package of measures, particularly as regards the funding of the universal service, the rules for interconnection, the installation of the independent regulatory authorities and the creation of a dispute settlement mechanism.

* 1 ECU = UK£0.79 or IR£0.79.

INTERNAL MARKET: No power limits for motor cycles ...

... in the immediate future. For Euro-MPs there is no reliable evidence linking engine size and the frequency of accidents.

With the introduction of the single market in 1993, the European Commission proposed that the maximum engine size for motor cycles sold in the European Union be limited to 100 BHP. At present only France has legislation limiting engine size to 100 BHP, although a draft law along these lines is under study in Spain. In Germany, engine size is limited to 100 BHP through voluntary agreements between manufacturers and the authorities, while in the UK importers have undertaken not to import motor cycles more powerful than 125 BHP. These disparities, however, hamper sales of motor cycles between EU countries.

The Commission's aim was two-fold: (1) remove the obstacles to EU-wide marketing of motor cycles and (2) increase safety. It must be remembered that a motor cycle powered with a 100 BHP engine can reach speeds of up to 300 kmph and can accelerate from 0 to 100 kmph in under three seconds. In the Commission's view, putting even more powerful motor cycles on the road is both dangerous and the cause of numerous accidents; in fact it had submitted two reports to support its proposal establishing a link between powerful motor cycles and road accidents. Most Member States had backed the Commission's proposal, with the exception of the UK. However, the numerous demonstrations by motorcyclists, opposed to restrictions on engine size, led to second thoughts on the part of the European Parliament. Euro-MPs felt that there was not enough reliable evidence at the present time to allow a link to be established between engine size and traffic accidents.

The fact that Roger Barton, the Euro-MP entrusted with the task of arguing the case for power limits before Parliament, was not only British but also a motor cyclist, perhaps contributed to the turn taken by the debate. Be that as it may, it was finally decided not to impose any restrictions on engine size at the EU level, each Member State being left free to introduce national power limits if it so wished. The Commission, for its part, undertook to conduct a thorough investigation in order to establish beyond doubt the existence - or otherwise - of a link between engine size and accidents. On completion of the investigation, expected to last two years, the Commission will submit a fresh proposal if necessary.

EUROBAROMETER POLL: Europeans recover their optimism ...
... but remain concerned as regards their personal economic situation.

The economic recovery is helping Europeans recover their optimism. For the first time in five years the number of Europeans who view the new year favourably has risen, according to the latest Eurobarometer survey of public opinion (N° 42), carried out in the 12-nation European Union last December, and just published by the European Commission.

Last December 34% of those polled thought that 1995 would be better for them personally, while 27% thought the contrary and 32% foresaw no change. This amounts to a total reversal of attitudes as compared to December 1993, when 35% of those polled expected 1994 to be worse and only 27% thought it would be better. 30% saw no change in their personal situation.

The Irish would seem to be the most optimistic of all, with 47% of them looking forward to a better year - 13 percentage points more than in 1993. Next are the Danes and Italians (44%) and the Spaniards (41%). In most of the countries in question, roughly one third of those polled expect an improvement in 1995. This optimism is less evident in Luxembourg (where 29% expect an improvement) and Belgium and Germany (26%). As regards Germany, there was greater optimism in the East (32%) than in the West (25%).

Even so, in nearly all the countries of the 12-nation EU, there was an increase in the proportion of those optimistically inclined between December 1993 and last December. The only exception was Greece, where there was a fall of 26 points to 22% only, as against a 41-point rise in the proportion of pessimists to 60%. The only other country to register a rise in the proportion of pessimists was the UK - 40% as compared to 34% in 1993.

On the whole, there has been an increase over last year in the number of Europeans who feel that their country's economic situation either improved or remained unchanged during 1994. And they are fewer to feel that the situation has deteriorated. The only exceptions: Portugal, where there was a slight fall in the proportion with positive impressions and, more particularly, Greece, where public perception of the situation was the opposite of what it is elsewhere.

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As for the economic trends in their respective countries in 1995, 2% of Europeans view them as "a lot better" than in 1994, 34% as "a little better", 33% as unchanged, 19% as "a little worse" and 7% as "a lot worse". Here, too, optimistic forecasts have risen in relation to the corresponding survey in 1993.

However, when it comes to one's own personal situation in terms of employment, the expectations of those polled are less optimistic. Only 28% see it as better than in 1994, while 58% see no change and 14% expect it to deteriorate. In relation to the 1993 poll, only the group of those who see no change has increased, while the groups of optimists and pessimists have declined slightly. The Italians are the most optimist (34%), the Greeks the most pessimist (44%).

INFLATION: Higher in December ...

... at an annual rate of 3.1% for the 12-nation EU.

After holding steady at 3%, the annual rate of inflation rose slightly to 3.1% in the 12-nation European Union as a whole in December. Even so, this was below the 3.4% recorded in December 1993 according to Eurostat, the EU's statistical office.

In the 12-nation EU, France continues to enjoy the lowest rate of inflation (1.6%). It is followed by Belgium (1.9%), Luxembourg (2%), Denmark (2.3%), Ireland (2.4%), the Netherlands (2.6%), Germany (West: 2.7%) and the UK (2.9%). Countries still above the EU average are Portugal (4%), Italy (4.2%), Spain (4.3%) and Greece (10.8%).

On the eve of joining the EU, the three new member countries had inflation rates below the average for the 12-nation Union: Finland 1.6%, Sweden 2.5% and Austria 2.6%.

The U.S., too, had a low rate of inflation (2.7%), as did Japan (0.5%), Canada (0.2%) and Switzerland (0.4%).

EUROPINION POLL: Europeans continue to favour a single currency ...
... and common foreign and defence policies.

The new policies introduced by the Treaty of Maastricht continue to be highly rated by the majority of Europeans, although there is continued strong opposition to a single currency in the UK, Germany and Denmark, according to a Europinion poll carried out in the 12-nation European Union last December.

The idea that a single currency should replace the currencies of the various EU countries by 1999, as provided for in the Treaty of Maastricht, is supported by 53% of those polled. 40% are opposed to it, however.

The staunchest advocates of a single currency are the Italians (76%), followed by the Belgians (67%), Spaniards (66%), Greeks and Irish (65%), French (64%) and Luxemburgers (63%). Even though they are fewer in the Netherlands (49%) and Portugal (46%), those in favour of a single currency remain more numerous than those against it. However, opponents of a single currency are still in a majority in Germany (58% against), the UK (61%) and Denmark (73%). Both the UK and Denmark have secured the right not to adopt the single currency.

The introduction of a common foreign policy by the EU is favourably viewed by a majority of those polled in all the member states of the 12-nation EU. At the level of the Union itself, 69% of those polled favour a common foreign policy. Luxembourg leads, with as many as 80% in favour of it, followed by Greece (78%), France (77%) and Germany (74%). The most lukewarm are the British (53%) and Danes (54%).

Work towards a common defence policy has overwhelming support, with 81% of those polled in favour of it at the level of the 12-nation EU, and peaks of 89% in France and 87% in Luxembourg. Support for a common defence policy exceeds 80% in Belgium, Greece, Spain and Italy and reaches this figure in the UK. The least enthusiastic are the Danes (54% in favour) and the Irish (65%).

EUROPINION POLL: One European in two is satisfied with the way democracy works ...

... in his own country and in the European Union in general.

Roughly one European in two claims to be satisfied with the way democracy works in his own country. The proportion is slightly less, however, when it comes to the European Union in general, according to a Europinion poll carried out in the 12-nation European Union last November and December, respectively; and these findings are not very different at the European level as compared to earlier polls.

Last November 6% of Europeans declared themselves "very satisfied" with the way democracy works in their country, 44% "fairly satisfied", 31% "not very satisfied" and 16% "not at all satisfied". The remaining 2% had no opinion on the matter.

In most of the countries examined, the majority of those polled claimed to be satisfied. Luxembourg led, with 31% "very satisfied" and 50% "fairly satisfied", making a total of 81%! Denmark was next, with 79% satisfied, including 16% "very satisfied", and the Netherlands - 73% satisfied in all. In Germany, the level of satisfaction was higher in the West (75%) than in the East (60%). Only in three southern countries of the EU were the dissatisfied in a majority: in Greece they represented 55% of the total, in Spain 67% and in Italy a record 76%.

As for the way democracy works in the European Union itself, 47% of those polled last December were satisfied, 4% of them "very satisfied". Still at the EU level, 45% were dissatisfied and 9% didn't know. Here, too, the level of satisfaction is highest in Luxembourg, with a total of 68%, including 23% "very satisfied". Next is Ireland - 66% of positive replies - followed by Belgium (56%), Denmark (54%) and the Netherlands (52%). In Germany, just half of those polled were satisfied, with the level of satisfaction somewhat higher in the West (50%) than in the East (46%).

In Italy and Portugal those satisfied with the way democracy works in the EU amounted to 49% of those polled in each case, as compared to 39% and 38%, respectively, of those dissatisfied. In France positive and negative opinions balanced each other at 47%. In the UK, Greece and Spain the dissatisfied were in the majority, reaching a peak of 53% in the UK.